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SUBJECT: Mills under pressure to act following corruption allegations against NDC officials

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¶1. (U) Summary: President Mills' commitment to aggressively fight corruption is under scrutiny following a September 25 guilty plea by British company Mabey and Johnson (M&J), in which the company admitted paying 470,000 pounds in bribes to eight current and former Ghanaian officials during the 1990s in return for government contracts. Reports implicate the current Health Minister and a Minister of State, senior members of the government of former President Jerry Rawlings, and one New Patriotic Party (NPP) member who served as a minister under former President Kufuor. President Mills has called for a swift investigation of the allegations, and sent Minister of Justice/Attorney General Betty Mould Idrissu to London to meet with British prosecutors and the UK's Serious Fraud Office. The first casualty in this case appears to be Alhaji Baba Kamara, who was withdrawn October 7 as Mills' choice as High Commissioner to Nigeria. End Summary.

¶2. (U) On September 25 the UK's Serious Fraud Office (SFO) convicted M&J on corruption charges relating to contracts in Ghana from 1994-99. According to press reports, M&J pled guilty to paying 470,792.60 pounds to eight Ghanaian officials to secure government contracts. The following officials were named as having received payments:

-- George Sipa Yankey, current Health Minister;
-- Kwame Peprah, former Finance Minister and current Social Security and National Insurance Trust (SSNIT) Board chairman;
-- Dr. Ato Quarshie, former Roads & Highways Minister;
-- Boniface Abubakar Saddique, former NPP Minister for Water Resources, Works & Housing (Note: After serving in the Rawlings government in the Finance Ministry, Saddique joined the rival NPP and served as Minister for Water in the Kufuor government. End Note);
-- Amadu Seidu, current Minister of State at the Presidency and former Deputy Minister for Roads & Highways.
-- Daniel Ofori-Atta, former M&J agent in Ghana, and Chairman of the EGLE party;
-- Edward Lord Attivor, former official of the Ministry of Roads & Highways; and
-- Baba Kamara, High Commissioner-designate to Nigeria

¶3. (U) President Mills has directed the Attorney General to investigate the allegations. Former President Rawlings, during whose administration the contracts were awarded, has praised President Mills' "swift response" and cautioned against "hesitancy and inaction" in dealing with it.

¶4. (U) Attorney General Betty Mould Idrissu announced that the Ghanaian government has launched an investigation into whether Ghanaian politicians accepted bribes. She stated that the allegations are "practices that many of us find unacceptable," and confirmed that her office is acquiring additional details on the matter from British authorities.

¶5. (SBU) On October 6, President Mills' media advisor Mije Barnor told POL FSN that the President is "determined" to deal with this

case. Barro noted that there is no sign that either of the current ministers intends to resign, and said that Mills is awaiting the AG's recommendation on how to proceed. He said he expects that the case will be referred to government prosecutors for further action, and added that there may be additional names involved in the scandal (notably NPP officials) who took over responsibility for contracts after the NDC left office.

¶6. (SBU) On October 7, Barnor told us that President Mills had decided to withdraw Baba Kamara's name as High Commissioner designate to Nigeria. Kamara was a close advisor to President Rawlings in the 1990s, serving as NDC Treasurer, and, according to the M&J Indictment, was "political overseer" of the Ministry of Roads and Highways. Kamara is alleged to have acted as M&J's agent in Ghana to corruptly steer business to the company.

¶7. (U) [Note: In another high-profile corruption case, Ghanaian prosecutors indicted former ambassador to Japan Barfour Adjei-Barwuah. Adjei-Barwuah, who served under the Kufuor administration, is accused of transferring funds donated by a Japanese corporation to support education in Ghana, to a private foundation he controlled. The malfeasance was uncovered by the Ghana Audit Service in an audit that covered the period April 1, 2007 to June 30, 2009. End Note].

¶8. (SBU) Comment: During the campaign, Mills and the NDC repeatedly highlighted corruption allegations against the NPP, and the NPP has complained that the government has pursued corruption investigations in a partisan manner to punish the former government. For these reasons, the Mills Administration is under pressure to act on these allegations against its own officials to avoid accusations of hypocrisy. Furthermore, the close margin between the two parties in the last election underlines the NDC's need to demonstrate seriousness in addressing corruption, as perceptions of corruption are widely seen as having weakened public support for former

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President Kufuor's government. Mills has signaled his seriousness by sending the AG to London to personally deal with the case. However, this case will test the capabilities of Ghana's anti-corruption bodies, which have historically been under-resourced and suffered from weak political support. End Comment.

FURUTA-TOY